UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

STONE INTERIORS, INC., d/b/a PRP USA,)
Plaintiff,) Case No.: 07-cv-6244
v.) Judge: Virginia M. Kendall
VALENCIA STONE, LLC. and UNITED TILE AND STONE, INC. d/b/a TILE WORLD OF ITALY,)))
Defendants.)

INITIAL STATUS REPORT

I. Attorneys of Record:

A. Plaintiff Stone Interiors, Inc., d/b/a PRP USA ("Stone Interiors"):

J. Scott Humphrey Seyfarth Shaw LLP 131 South Dearborn Street Suite 2400 Chicago, Illinois 60603

B. Defendants Valencia Stone, LLC ("Valencia") and United Tile and Stone, Inc. ("United"):

Neil E. Holmen Walker Wilcox & Matousek LLP 225 West Washington Street Suite 2400 Chicago, Illinois 60606

II. Basis for Federal Jurisdiction:

Diversity.

III. Nature of Claims Asserted in Complaint and Any Expected Counterclaims:

Stone Interiors alleges Valencia and United breached a September 2006 Agreement with Stone Interiors. Specifically, Stone Interiors maintains Valencia and United failed to compensate Stone Interiors for marble and granite slabs Stone Interiors provided Valencia and United in

September 2006. United and Valencia dispute the material allegations contained in Stone Interior's Complaint and deny that they owe the total amount Stone Interiors is seeking from Valencia and/or United.

IV. The Name of Any Party Not Yet Served and The Circumstances Regarding None Service:

None.

V. The Principal Legal Issues:

Breach of contract.

VI. The Principal Factual Issues:

See Response to III.

VII. Whether a Jury Trial is Expected by Either Party:

No.

VIII. A Short Description of Any Discovery Undertaken to Date and Any Anticipated in the Future:

No discovery has occurred as of this date. The parties plan to conduct written and oral discovery consisting of interrogatories, production requests and depositions. Accordingly, the parties request that they be allowed to file their Rule 26(a)(1) disclosures on or before January 30, 2008; issue written discovery by February 14, 2008; respond to all outstanding ran discovery by March 14, 2008, and complete all depositions by May 30, 2008.

IX. Thoroughly State the Parties Will be Ready for Trial and the Length of the Trial:

The parties will be ready for trial in July 2008. The parties estimate that the case will take two days to try.

X. Whether the Parties Unanimously Consent to Proceed Before the Magistrate Judge: Yes.

XI. Status of Any Settlement Discussions and Whether the Parties Request a Settlement Conference:

Parties have engaged in limited settlement discussions and are willing to participate in a settlement conference before either Judge Kendall or a Magistrate Judge.

Respectfully submitted,

J Scott Humphrey, Esq. SEYFARTH SHAW LLP

131 South Dearborn Street

Suite 2400

Chicago, Illinois 60603

Attorney for Plaintiff

Stone Interiors, Inc., d/b/a PRP USA

Date: January 4, 2008

Neil E. Holmen

Walker Wilcox Matousek LLP 225 West Washington Street

teil E. Holmen

Suite 2400

Chicago, Illinois 60606

Attorney for Plaintiffs

Valencia Stone, LLC and United Tile and

Stone, Inc.

CERTIFICATE OF SERVICE

J. Scott Humphrey, an attorney, certifies that he caused a true and correct copy of the foregoing Initial Status Report to be served upon counsel of record:

Mr. Neil E. Holmen Walker Wilcox Matousek LLP 225 West Washington Street, Suite 2400 Chicago, Illinois 60606

by placing in a properly addressed, postage prepaid envelope and deposited in the U.S. Mail at 131 S. Dearborn Street, Chicago, Illinois this 4th day of January, 2008.

/s/ J. Scott Humphrey